



2009

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Twins Enterprise, Inc.

COUNTRY: Macau

FACTORY CODE: 920044161H

MONITOR: Social Compliance Service Asia

AUDIT DATE: September 3, 2009

PRODUCTS: Caps, Hats

PROCESSES: Sewing, Assembling, Ironing,
Packing

NUMBER OF WORKERS: 22



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Freedom of Association: Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

Noncompliance

Explanation: A suggestion box and written procedures are available. However, no written procedure was visibly posted for the workers.

Plan Of Action: The management team needs to post written procedures and deliver them to all employees. It is critical that the management team fully understands the importance of employees being able to communicate any grievances without fear or intimidation from management.

Deadline Date: 10/27/2009

Supplier CAP: We had posted the written procedure beside the suggestion box.

Supplier CAP Date: 10/28/2009

Action Taken: The factory has posted the written procedure on the wall next to the suggestion box. They have discussed the procedure with all employees.

Plan Complete:

Plan Complete Date:



Freedom of Association: Other - Freedom of Association and Collective Bargaining

Other

Noncompliance

Explanation: No written policy of freedom of association was available to the workers.

Plan Of Action: The management must create a Freedom of Association Policy and post it for all employees to review. The management must also hold meetings with employees and managers to discuss the Freedom of Association Plan.

Deadline Date: 10/27/2009

Supplier CAP: We have written and set up a Freedom of Association Policy and posted it to all the workers publicly.

Supplier CAP Date: 10/28/2009

Action Taken: The factory has set up a Freedom of Association Policy and posted it in the public areas for all employees to see.

Plan Complete:

Plan Complete Date:

Harassment or Abuse: Discipline/Review of Disciplinary Action

H&A.3 The disciplinary system shall include possibilities for workers to have disciplinary action imposed on them reviewed by someone at a higher managerial position than the manager who imposed the disciplinary action. In addition, such a system shall include the ability of a worker to appeal and/or question any disciplinary action against him or her and/or have a third party of his or her choice present when the disciplinary action is being imposed. (P)

Noncompliance

Explanation: There is no appeals system for workers who received disciplinary actions or were terminated.

Plan Of Action: The management needs to build an appeal system, post it for all employees, and hold meetings with the employees to explain it. The management team will also assemble a committee that will spearhead the review of all disciplinary actions imposed on workers. It is important for the management team to closely monitor all employee and manager interactions.

Deadline Date: 10/27/2009

Supplier CAP: We will add an appeal system for workers who received disciplinary actions or were terminated. We will post this system publicly for all workers to see. We will also add it to the Employee Handbook.

Supplier CAP Date: 10/28/2009

Action Taken: The factory has added an appeals system for all employees who have received disciplinary action or termination. This policy has been posted for all workers to see and has been added to the Workers' Handbook.

Plan Complete:

Plan Complete Date:

Code Awareness:

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Noncompliance

Explanation: No Code of Conduct (CoC) training was provided to educate employees on factory and company standards.

Plan Of Action: The management will post the CoC for all employees to see. They will also review the code with all employees and members of management. The CoC will be updated yearly and posted around the factory. The CoC plan will clearly lay out who will conduct the trainings, how many times a year the training will take place, and when and how the training will be delivered.

Deadline Date: 10/27/2009

Supplier CAP: We had made plans for training on the CoC and will retain the records later on.

Supplier CAP Date: 11/11/2009

Action Taken: The factory is in the process of creating a CoC Training Program. Once it is finalized, they will begin training sessions with all employees.

Plan Complete:

Plan Complete Date:

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

- Explanation:**
1. One of the evacuation plot plans at the sewing unit was blocked by sundries. (Government Decree 57/82M Workplace Hygiene & Work Safety Section, Chapter 2.)
 2. One of the emergency exit lights at the packing unit was found malfunctioning.
 3. A blocked fire hose and fire alarm were found at the sewing unit. (Government Decree 57/82M Workplace Hygiene & Work Safety Section, Chapter 2.)

Plan Of Action: Management needs to conduct a daily walkthrough of factory to look for any boxes or items that are blocking evacuation plans. The management team should also create a monthly checklist of signage, entrances/exits, safety equipment, etc., in order to properly conduct monitoring and ensure full compliance at all times. A checkup of all lighting and signage should be conducted on a monthly basis as well. Management should post signs in areas in which product seems to build up so blockages do not occur.

Deadline Date: 10/27/2009

Supplier CAP: We will remove things in front of evacuation plot plans at sewing unit immediately to assure no blocking. We are checking all the emergency exit lights of the factory area and will exchange all the broken ones before September 11, 2009. We will remove all the things blocking the front of the fire hose and alarm to assure unblocked access.

Supplier CAP Date: 11/11/2009

Action Taken: Factory has unblocked fire hoses. They have also unblocked evacuation plot plan and instructed all employees to make sure that plot is always visible. Factory employees now conduct a daily walkthrough of facility to ensure that there are no blockages. Facility is currently having all emergency exit lights inspected, as well as changing any that are broken.

Plan
Complete:

Plan
Complete
Date:

Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Noncompliance

Explanation: 2 electrical panels at packing unit found without proper labels and weren't equipped with plastic protectors (shields). (Government Decree 57/82M Workplace Hygiene & Work Safety, Chapter 2.)

Plan Of Action: Management needs to implement a biannual inspection of the entire facility. Electrical testing on safety equipment should be conducted and installed. All electrical panels are to be renumbered and labeled correctly and eligibly so that all can understand.

Deadline Date: 10/27/2009

Supplier CAP: We have sought help from a professional electrical company to check all panels. We will install necessary plastic protectors and labels for all electrical panels needed before September 11, 2009.

Supplier CAP Date: 09/11/2009

Action Taken: An electric company has been hired by factory to inspect and label all panels, as well as install plastic protectors. This is a project that is currently in the works. Many panels have been inspected and updated.

Plan

Complete:

Plan

Complete

Date:

Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: One sewing machine not equipped with needle guard. Overlocking machine (1 unit) found not equipped with an eye shield. (Government Decree 57/82M Workplace Hygiene & Work Safety, Chapter 3, Section 1.)

Plan Of Action: All equipment should be monitored on a daily/monthly basis. Management needs to implement a structured checkup of all equipment in factory and work with employees to encourage feedback on a daily basis so that any and all issues can be resolved right away.

Deadline Date: 10/27/2009

Supplier CAP: We will inspect all machines and install proper eye shields and needle guards on them.

Supplier CAP Date: 10/28/2009

Action Taken: The factory installed needle guards and eye shields to the sewing machines.

Plan
Complete:

Plan
Complete
Date:

Health and Safety: Bodily Strain

H&S.20 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains. Employers shall train workers in proper lifting techniques and items such as belts shall be provided. (S)

Noncompliance

Explanation: No ergonomic system was implemented for workers in the designing workstation. Workers were not provided with training on proper lifting techniques.

Plan Of Action: Management needs to inspect all workstations for proper seating, standing and reaching requirements. Each workstation needs to be set up in a manner which limits bodily strain. In addition, a training program on proper lifting techniques and PPE usage is to be implemented. It is important for each employee to use PPE at all times.

Deadline Date: 10/27/2009

Supplier CAP: We plan to provide ergonomic chairs which can be adjusted.

Supplier CAP Date: 11/11/2009

Action Taken: Factory is currently inspecting all chairs in facility and replacing them with chairs that properly adjust for ergonomic conditions.

Plan
Complete:

Plan
Complete
Date:

Hours of Work: Sick Leave

HOW.19 Employers shall provide workers with sick leave as required under local laws, regulations and procedures. (S)

Noncompliance

Explanation: Workers not paid for sick leave in accordance to newly implemented law for compensation. Workers received only 50% of sick leave compensation. (Article 53, section 2, Employment relation act of Macau.)

Plan Of Action: Management must review all compensation laws and familiarize themselves with any and all changes. These laws must be adhered to at all time. They need to review all payroll records and make sure that everyone's compensated correctly as of the date the law changed.

Deadline Date: 10/27/2009

Supplier CAP: We have adjusted the procedure on sick and injury leave. The sick leave policy now complies with the Employment Relations Act of Macau.

Supplier CAP Date: 10/27/2009

Action Taken: Factory has adjusted procedure on sick leave. This procedure is currently being adhered to.

Plan
Complete:

Plan
Complete
Date:

